

spa business

Global Thermal Think Tank

Hot spring leaders gather in Germany

HOT RESEARCH

Worldwide spa industry worth almost US\$100bn

10th Global Wellness Summit

Highlights from the milestone event

ASK AN EXPERT

ONLINE RETAIL

SPA MILLENNIALS

New study on younger customers



ARIANNA HUFFINGTON

On a mission to change the way we work and live

Breath of fresh air

Spa professionals worldwide embrace the outdoors and Austrian wellness for the 10th Global Wellness Summit. Katie Barnes reveals the highlights from the milestone event



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Summit co-chairs Dr Franz Linser (left), of Linser Hospitality, and Susan Harmsworth (right), founder of ESPA



Spa Business reveals more global spa statistics on p42 and reports from an international hot springs conference on p44

A record 500 delegates convened in picturesque Kitzbühel, Austria for the Global Wellness Summit

Soaring into the mist on a mountain paraglide, taking in the green surroundings on a biking route and gulping in fresh Alpine air on a hike. Not your typical scene for a business conference – but a perfect fit for the Global Wellness Summit (GWS), which celebrated its 10th anniversary in October.

Spa operators, owners, developers and investors around the world made up a large proportion of the 500 delegates (a new summit record) from 45 countries who convened in the picturesque town of Kitzbühel, in Austria's Tyrol region, to soak up the healthy surroundings and spend three days learning about wellness trends, research and best practice – and finding out what the future has in store.

In his opening remarks, summit co-chair Franz Linser, whose wellness consultancy is based in Tyrol, said: "I'm really proud to have 500 international experts here today. Each and every one of you is a contributor of knowledge, insight and wisdom... from all facets of our industry. Having been a former Olympic coach for the Austrian ski team, for me this summit is like the Olympic Wellness Games – showcasing the best of the best that this industry has to offer."

European wellness

Linser revealed how Tyrol was one of the first regions in the world to adopt wellness tourism on a wider scale by developing and promoting a cluster of sport and spa hotels 26 years ago.

This summit is like the Olympic Wellness Games – showcasing the best of the best that this industry has to offer

In fact, Austria ranks 11th in the world for spa revenues – generating €1.45bn (US\$1.6bn, £1.28bn) in 2015 – and seventh among European countries. Those numbers are part of the 2016 *Global Wellness Economy Monitor*, the preliminary findings of which were released at the summit.

The report, generated by the summit's parent organisation, the Global Wellness Institute (GWI), valued the global spa economy at US\$98.6bn (€89bn, £79bn) in 2015, an increase of 2.3 per cent since 2013, making it a modest cluster within the wider US\$3.72tn (€3.36tn, £2.98tn) global wellness industry. **We summarise the report's figures on p42 and will dig deeper into the numbers in our next issue.**

The wellness setting dovetailed neatly with the summit's theme of Back to the Future, which looked at what the industry has achieved in the last decade, while also predicting where it's heading in the next 10 years. But it wasn't all about Austria. Anna Bjurstam, vice president of spa and wellness for Six Senses, moderated a panel that shone a spotlight



Delegates were able to soak up the healthy surroundings, walking to lunch each day

▶ on European bathing traditions, including thalassotherapy, Russian banyas (see SB14/2 p50), Latvian pirts (see SB16/3 p82) and the aufguss sauna – the latter of which captured delegates’ imagination when details of its traditional rituals were described (see p70). In the coming years, the panel said it foresees a bathing renaissance, as relaxation and prevention becomes increasingly important to society.

In another nod to European spa prowess, summit co-chair Susan Harmsworth, founder of ESPA International, moderated



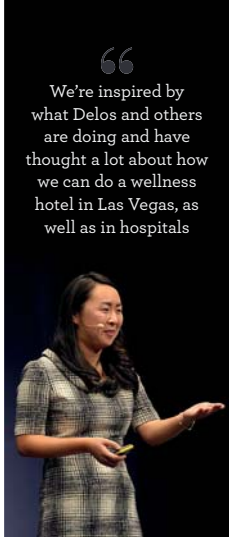
Anna Bjurstaam moderated a panel focusing on European bathing traditions

a session that drew attention to the area’s health practitioners and alternative medical practices – such as Lanserhof, Brenners Park Hotel & Spa, Schloss Elmau and Vivamayr medical spas.

Harmsworth said: “I have 600 spas in 60 countries and from a global perspective I don’t think you [spa operators] realise what you have here. You have amazing practitioners... And you’re so far ahead in your medical wellness with the Mayr principle that’s so prevalent, as well as in the holistic side in terms of personal training and nutrition.” She said that as the global spa industry looks to get more into the ‘wellness business’ it has much to learn from Austria’s lead. But she also voiced concerns over how deliverable and viable wellness is for spas, considering the specialist medical staff, equipment and necessary protocols that come with it. ▶



Nordic Hotels’ Lasse Eriksen discussed the sauna aufguss in a panel at the GWS



“We’re inspired by what Delos and others are doing and have thought a lot about how we can do a wellness hotel in Las Vegas, as well as in hospitals

Amazon subsidiary reveals interest in wellness hotels

In a talk at GWS, Maggie Hsu, advisor to online clothing company Zappos, hinted that the firm – which is owned by Amazon – is eyeing up the wellness hospitality space.

The e-commerce company is already looking at customer service in hospitals as part of its Downtown Project in Las Vegas, where it’s based. A portion of its US\$50m (€46m, £41m) investment in the redevelopment scheme is funding Turntable Health – a primary care clinic that will run on a membership model. As part of a monthly fee of around US\$100 (€91, £82), patients will have unlimited access to physicians, who will therefore be financially incentivised to keep patients or ‘customers’ healthy.

Hsu said hotels would be a natural follow on from this. “We’re very interested in the hospitality space because of its focus on customer service and putting two different things together in downtown Las Vegas. We’re inspired by what Delos and others are doing and have thought a lot about how we can do a wellness hotel in Las Vegas, as well as in hospitals.”



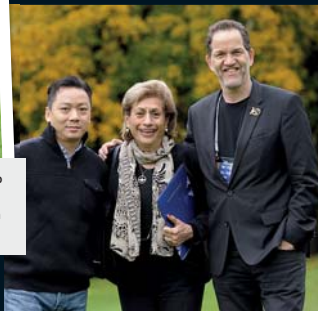
A Tyrolean cocktail reception (top left); delegates pose with Olympic ski champion Stephan Eberharter (right); *Spa Business*' Jane Kitchen and Katie Barnes with Nick Irani of Subtle Energies (below left)



Enjoying the fresh air over lunch (left); exploring art as wellness (right); biking atop Hahnenkamm Mountain (below right)



Standing above the clouds atop Hahnenkamm Mountain (left); enjoying the autumn colours in Kitzbühel (above and right)





► **Mental picture**

An underlying focus for this year's summit was on mental wellness. Jan-Emmanuel De Neve, a professor of economics at Oxford University, gave a compelling and lively talk outlining how governments and financial bodies are waking up to the value of people's happiness and mental wellbeing. This was echoed by economist Thierry Malleret, who foresees a time when "wellness will become mandatory" for countries and policy makers.

Based on the UN-endorsed 2016 *World Happiness Report*, the next edition of which De Neve will co-edit, delegates heard how happy employees are 7-12 per

“It's in times of crisis and losses that the wellness industry has the most to do and ought to be most active”

Psychologist and public health academic Dr Gerry Bodeker (left); and Oxford economics professor Jan-Emmanuel De Neve (below)



cent more productive, and that people who are the happiest at age 16, 18 and 22 will earn about US\$3,000 more per year than the national average when they reach 30.

The happiest countries in the world are Denmark and Switzerland, said De Neve, but we should be mindful of those that aren't so content or have experienced losses in growth, such as Greece. "It's in times of crisis and losses that the wellness industry has the most to do and ought to be most active, as that's when people can benefit from it the most," he said. Similarly, he said other research shows there's an argument to focus on adolescents "who are falling behind in terms of wellbeing and mental wellness" as they're likely to earn up to US\$10,000 less than the national average when they grow up.

Psychologist and public health academic Dr Gerry Bodeker said that with the World Health Organization flagging up mental health as one of its top priorities in the next decade, now is the time for spas to get in on the act, as the many mental, nutritional and physical modalities they offer are already proven to have physiological and neurological benefits. He explained: "They [the modalities]

Wellness: the investment gap and the huge opportunity

Omer Isvan, president of international investment consultancy Servotol, piqued interests in his GWS presentation when he said investors are looking for "more than just a spa that delivers the feel-good factor". They've recognised the growing consumer need for integrative wellness and transformational experiences and are ready and waiting to put money into integrative wellness destinations.

"We have the cash, we have the intent," he said. "And there's no shortage of land, labour and capital to put it together. But we have a shortage of know how. There's a depth of knowledge [about wellness

“There's a depth of knowledge about wellness operations, but no one has packaged this up into a pill that an investor can swallow”

operations] in this room, but no one has packaged this up into a pill that an investor can swallow. In the hospitality industry, you can go buy a 'hotel management package' from the likes of Hilton. There's a huge supermarket where you can buy brands, management, distribution, marketing and sales, recognition and PR. But this has not happened with integrative medicine and wellness and that's where the big gap is today."

He added that scaleable integrative wellness is

where the money is and that the success stories so far have been standalone preventative medical centres such as Vivamayr and Chiva-Som. "But you as an industry have not been able to replicate this in other destinations - like North Africa for example," he said. "This is our challenge and the underlying message."

Read more *Spa Business* reports on this topic in our 2016 *Spa Foresight™* (see SB16/3 p48) and our first issue in 2016 (see SB16/1 p64).



Isvan says that investors have recognised the growing need for integrative wellness



A glittering evening at Swarovski

Guests donned their best sparkles for the Global Wellness Summit's gala dinner, held at the Swarovski Crystal Worlds in Wattens, Austria.



GWS delegates donned sparkles for an evening at Swarovski Crystal Worlds

The evening began with a stroll through the venue's Chamber of Wonders, where Swarovski crystals are displayed in different themed artworks.

After dinner, an auction to benefit the Global Wellness Institute was held, with more than US\$100,000 raised to help fund industry research.

really make the case for a mental wellness category pathway that's distinct from what's been seen as the world of mental health in the past. It's time to stick a flag in the ground and say not only do we care about this, but that we're already doing something about it." Spas that will really succeed in this arena, he added, will prioritise regular visits, research and post-visit follow ups and consultations.

Other speakers shared their different perspectives on how to achieve mental wellness. For Dieter Mueller-Elmau, owner of Germany's Schloss Elmau Luxury Spa & Cultural Hideaway, mental wellness is about converging music, literature, poetry and spa. Meanwhile, in a rare appearance, Olympic ski champion Stephan Eberharter motivated delegates with his vision of mental toughness – based on 'the fun factor', setting goals and passion – before accompanying them for an afternoon of mountain activities in the fresh Alpine air.



Spa Business' Liz Terry (far right) moderated a panel on wellness architecture

Delos expands into cruise ships, airport lounges

Representatives from wellness real estate firm Delos spoke on wellness real estate during the summit, revealing that the firm is moving into new sectors of cruise ships – in partnership with Steiner Leisure, The Cleveland Clinic and Deepak Chopra's new wellness platform, Jiyo – and airport lounges. **Read more on p34 of this issue.**

Building a vision

Wellness architecture and design was another key topic highlighted at GWS 2016. In a session moderated by Liz Terry, editor of leisure architecture magazine *CLADmag*, a case for buildings that improve your wellbeing was made. "This [wellness design] matters to everyone of you," said Terry, who's also the editorial director of *Spa Business*. "All of you rely on there being a building of some kind in order to do your business. We spend millions creating these facilities, and we need to be sure that they're not only fit for purpose now, but for tomorrow and the lifetime of the building."

With this in mind, a team from global architecture firm Arup painted a picture

of the not-so-distant future, when people carrying personal pollution sensors won't enter buildings if they're toxic. This has the potential to completely change the value of real estate, and Arup's focus was how to minimise pollution in architecture, build sustainably and even create health-giving environments in line with the WELL Building Standard (see SB14/1 p28). They also described an exciting way that they're prototyping buildings using virtual reality, biometric sensors and other feedback methods to gauge a customer's response and amending designs accordingly.

In the same session, Lars Krückberg from GRAFT architects, a preferred design firm of Six Senses, said: "Architecture is



Aksoy received a Leading Woman award

Aksoy and McCarthy honoured at summit

Belgin Aksoy and Jeremy McCarthy were both honoured with awards during the Global Wellness Summit.

Aksoy was honoured as a Leading Woman in Wellness for her work in founding Global Wellness Day, a non-profit grassroots movement that has now reached more than 90 countries.

And McCarthy, group director of spa and wellness for Mandarin Oriental, received the first award for Leader in Furthering Mental Wellness for his work in bringing the power of positive psychology to the spa industry.

McCarthy's been in industry for 20-plus years, has a masters degree in psychology and is the author of *Psychology of Spas and Wellbeing*.

SUMMIT REVIEW

► always for people. If we're trying to create spaces for people to heal and become well, fit and strong, then the building should do it first." Both Krückberg and Six Senses CEO Neil Jacobs spoke about the evolution of Six Senses and the importance it places on biophilic design, by having a visual connection with nature, a presence of water and using natural materials. Taking things a step further, Six Senses Douro Valley Portugal is based on 'space healing' and incorporates elements of sacred geometry, healing through energy, vastu and feng shui. Jacobs said it was one Six Senses' most profitable locations.

In a separate talk, Tom Bauer, COO of hot springs operating company Vamed Vitality World, announced the imminent opening of one of the world's first silent spas, which will be located in Austria. In fact, the importance of 'silence' was a recurring topic across the three days, and is something that's set to gain traction in the spa sector moving forwards.

Vital to Vamed's new property is the spiritual design of the spa, which has been built according to the Golden Ratio and incorporates stone masonry, symbols and structures designed to evoke inner peace.



Six Senses CEO Neil Jacobs spoke about biophilic design at GWS

Spa taskforces

Each year, the summit gives an update on sub-sector initiatives, backed by the GWI, which taskforces work on year-round with a goal to address and solve fundamental industry issues. There are currently 16 such initiatives, and there have been marked developments in many of these, including those homing in on the hydrothermal arena, spa training and careers, as well as GWI 'passion projects' such as Wellness for Cancer. **On p44, we report on the Global Thermal Think Tank event – a pre-summit gathering of thermal spa leaders who are involved in the GWI's Global Hot Springs Initiative.**

This year, a key emphasis was on the Wellness Communities Initiative spearheaded by spa consultant Mia Kyricos. In 2015, the GWI estimated wellness real estate to be a US\$118.6bn (€107bn, £95bn) sector, a 19 per cent growth since 2013, and communities are cropping up worldwide – from Serenbe in the US, to the 10 Healthy New Towns proposed in the UK and from Worldcare

First-ever Shark Tank of Wellness expands annual student competition beyond spa



Shahrin Ali Raivi from North South University in Bangladesh accepted the award via Skype

The first-ever Shark Tank of Wellness Student Competition, which took place during the Global Wellness Summit, awarded a top prize of US\$5,000 to Shahrin Ali Raivi from North South University in Bangladesh.

Ali Raivi won for her concept to make sustainable sanitary pads accessible to the 80 per cent of women throughout Bangladesh who currently rely on unsanitary and ineffective options like sand, leaves, mud and unsterilised rags.

Her Mukto Sanitary Napkin concept makes use

of materials left over from the country's cotton industry, and promises to reduce the health and social problems associated with this issue. Ali Raivi accepted the award via Skype from Bangladesh.

A panel that included judges from across the wellness industry interrogated three student finalists live on stage before deciding on the winner.

GWS senior VP and executive director Nancy Davis said that the goal of the new format for the student competition was to attract more students – not just those in the spa

industry – and to embrace all facets of wellness. Students from all over the world studying disciplines as varied as architecture and technology were invited to submit wellness innovations.

"We really wanted to create an interactive event that delegates will want to come to and be a part of," explained Davis.

The two runners-up – Regina Tarany with "TreatAdvisor" and Svejjetlana Radakovic's "Spa Watch" – were both from the IMC University of Applied Sciences Krems in Austria, and received US\$2,500 each.



Left to right: 2017 summit co-chairs Maggie Hsu, Dr Gerry Bodeker and Clare Martorana; GWS chair Susie Ellis; representatives from The Breakers

Wellness Village in Dubai, to Avira Living in Wellness in Malaysia.

Aside from the wellbeing benefits that come with such developments, there's also a compelling economic driver fuelling their growth. Homes can sell at a 35 per cent premium and the often green-focused projects save on energy and bring a value proposition to real estate that can lead to quicker sales and help differentiate in a competitive market. How much of a role spas will play in such developments, however, remains to be seen.

The initiative has just published a white paper to address critical issues surrounding the fast-growing sector. And the industry should expect to hear much more about wellness communities in the

“There’s a big shift in the growth of wellness communities, but they’re not evenly distributed around the world”

Save the date

US-bound: The 2017 Global Wellness Summit will take place on 9-11 October at The Breakers in Palm Beach, Florida it was announced

year ahead, as it was revealed that the 2017 GWI's main body of research, to be released at next year's summit, will focus on the wellness real estate sector.

Ophelia Yeung, GWI's senior research fellow, who will be co-authoring the report, said: "There's a big shift in the growth of wellness communities, but they're not evenly distributed around the world and there are many different drivers and value systems for them. Our agenda is to home in on a [globally acceptable] definition [of wellness communities] and to look at different consumer needs, drivers and opportunities to help inform a framework for investor and developer discussions. We also want to dig deeper into best practice examples of such developments and the financial returns which can be expected for owners and operators."

Hello Palm Beach!

In her closing remarks, GWS chair Susie Ellis praised Linser and Harmsworth, her "fabulous" co-chairs, exclaiming that "we've had a lot of fun." A quiet anticipation then swept over the congress centre before she revealed that next year the summit will be heading to the US. The Breakers, in Palm Beach, Florida – an iconic, family-owned resort with a 120-year history based on wellness – is to host the event on 9-11 October, 2017.

To help deliver the summit, there will be three co-chairs. Technology will be a major theme and helping to steer that part of the agenda will be Maggie Hsu, advisor to online clothing retailer Zappos, and Clare Martorana, formerly of Web MD, who's just started a role in digital services at the White House. Dr Bodeker will join the duo, bringing an emphasis to mental wellness, beginning with the launch of the GWI Mental Wellness Initiative this month. ●



Consultant Mia Kyricos heads up the Wellness Communities Initiative



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